

**STRATEGY
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THREATS TO THE SAUDI ARABIAN MONARCHY

BY

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by

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ABSTRACT

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This paper examines the increasing threat to Saudi Arabia's ruling family, the Al-Saud, following two terrorist bombings in eight months which claimed 26 lives (24 American). The country's economic situation has declined significantly over the past decade, resulting in a general decline in the average Saudi standard of living. A rapidly expanding population, high unemployment, the presence of almost four million foreign workers in the country, and a general perception of Royal Family corruption and mismanagement all contribute to mounting tensions and opposition to the Monarchy. Today, some question the need for a Monarchy in a country where there is increased friction between modernists and Islamic fundamentalists. This paper examines the seriousness of the current threat to the Saudi Royal Family.

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I believe King Abdulaziz and President Roosevelt would be very pleased with the results of their meeting fifty years ago. And I am confident that the foundations they laid will continue to ensure a vibrant U.S.-Saudi partnership for many decades to come.

—President Clinton 2/8/95

Within a year after President Clinton spoke these words, 24 Americans were killed by terrorist bombings in Saudi Arabia. The Department of Defense then hastily evacuated all military family members from the country. Many analysts considered these attacks on Americans to be a direct attack on the Saudi Monarchy and its long-standing relationship with the United States. These attacks also raised opposition to the Monarchy to a more threatening level.

Today some wonder just how much longer a vibrant U.S.-Saudi partnership can continue. The cornerstone of this foundation, the Saudi Royal Family, is facing the most severe threats to its existence since its establishment in 1926. Growing friction between rampant modernization and retention of Islamic values is creating considerable anti-Saud opposition, opposition that is becoming increasingly vocal and potentially violent. Over the past 60 years oil revenues have transformed Saudi Arabia from one of the poorest countries in the world to one with one of the world's highest standards of living. Because of Saudi Arabia's nearly total dependence on oil revenues and its limited domestic industry, it has become a general welfare state. Fluctuating oil prices since the mid 80's and excessive Gulf War debts now constrain the regime's ability to continue supporting this welfare state.

A rapidly expanding population, high unemployment, the presence of almost four million foreign workers, and the general perception of Royal Family corruption all contribute to

mounting tensions. For years, the principal threat to the royal family was considered external: Iran, Iraq, Yemen, and other bordering countries. Today many Saudi watchers consider the major threat to the regime to be internal. Indeed, internal pressures are the most significant and dangerous threat. These pressures have united the Saudi people under an Islamic banner and have increased their demands for substantial change in the way they are governed. Many believe the situation is getting out of the Royal Family's control.¹

This study examines the internal pressures threatening the regime, the gravity of those pressures, and the actions the Monarchy can take to reduce growing opposition to its rule. U.S. policy in the Gulf depends in considerable part on its relationship with the Saudi Royal Family. Thus this paper in effect examines the viability of U.S. policy for the region.

BACKGROUND

THE AL SAUD RISE TO POWER

To comprehend the complexity of the problems facing the Monarchy today, we must appreciate the rapid evolution and development of the country since the turn of the century. In 1900 the Arabian Peninsula looked as it had for thousands of years, a vast impoverished region consisting of independent nomadic tribes with no central control.² There was no government, no ruling family or for that matter not even a country with the name Saudi Arabia. With their apparently limited natural resources, there was no reason to believe that the prevailing harsh conditions would ever change.

However, change did occur under the leadership of Abdul Aziz ibn Saud (Abdulaziz) from 1902 until his death in 1953. Abdulaziz united the tribes of Arabia under his control. He

established the Saud Family as the ruling Monarchy in 1926 and officially established the kingdom of Saudi Arabia in 1932. Since the kingdom is named after the Saud Family, it would appear that the Saud family was the dominant tribe. But this is not the case. The Saud's were similar to other tribes in that their fortunes rose and fell over the years. There were, however, three periods when the Saud Family was the dominant family, including the current period, which commenced in 1901.

Despite Abdulaziz's brilliance and charismatic leadership, it is doubtful that he would have succeeded in uniting the tribes and establishing the Saud Monarchy without one common link in all the periods of Saud dominance, dating back to 1745. That single common link is the effective union of the Al-Saud political military structure with the religious ideology of the Wahhabi movement of Islam. This union of politics and religion has provided the basis for the Monarchy's dominance. The Wahhabis recognized the authority of the Al-Saud and supported them as the legitimate and hereditary Islamic government.³ This marriage of the Saudis and the Wahhabis has been mutually beneficial. The Saudis used the Wahhabis to help them control Arabia, and the Wahhabis used the support of the Saudis to spread their version of Islam. Abdulaziz recognized the significance of uniting the tribes under the Wahhabi banner of Islam as a means of weakening tribal loyalties. He gave the tribes little choice other than supporting the Wahhabi-backed Al-Saud. The Wahhabis used the Ikhwan warriors to prosecute a holy war on both non-believers and Muslims who questioned Wahhabi authority. They often used violent and oppressive tactics to consolidate and control the tribes under the rule of Abdulaziz and the religious imperatives of Wahhabism. Despite the often-harsh methods used to unite the tribes, Abdulaziz attempted to reestablish relationships with the tribes through efforts at diplomacy and

through strategically arranged marriages.⁴ Despite these efforts, some detractors claim that the House of Saud never enjoyed real affection from the Arabians; they contend that Abdulaziz and his sons grabbed off the land and the eventual oil wealth for their own benefit.⁵ This murky history then raises the question of just how much popular support and loyalty the Royal Monarchy enjoys today amidst growing opposition.

DISCOVERY OF OIL AND THE BUILDING OF A NATION.

Visitors to Saudi Arabia today find it hard to imagine that 60 years ago this was one of the poorest countries on earth. Even the discovery of oil in 1938 did little immediately to improve conditions. Oil production did not start in earnest until after WWII. The primary source of revenues came from the pilgrimage tax; even this was dramatically reduced during the great world depression of the 1930's. Then Abdulaziz could do little except dole out what limited funds he had. During these difficult times as many as 2,000 people a day would eat at Abdulaziz's table, but this largess was the extent of the services which his new government could provide.⁶ The situation became so desperate that U.S. oil companies and eventually the U.S. government provided support to the Monarchy during this difficult period.⁷ This early support and the meeting between Abdulaziz and President Roosevelt in 1945 established the basis of a solid informal alliance between the two countries. It is interesting to note that this alliance and friendship were established long before the U.S. recognized the strategic significance of the country's vast oil reserves.

Following WWII, oil revenues began to increase-from \$51m in 1951 to over \$300m in 1955.⁸ They have continued to grow. Largely with U.S. assistance, the basic government

structure and banking system were created. But oil revenues increased only moderately through the 50's and 60's. Under the leadership of King Faisal, Saudi Arabia expanded government services and infrastructure development without the benefit of windfall oil revenues.

Significantly as the wealth of the country increased there was a corresponding increase in the quality and quantity of services provided to the Saudi people. This largesse was based on the economic philosophy of the Saudi Royal Family, which has not changed since the days of Abdulaziz. Saudi rulers have consistently sought to improve the economic conditions of the country's citizens while retaining the country's values. The Monarchy essentially assumed the responsibility of the tribal sheik, who was responsible for the welfare of his people. As the economy grew, the Monarchy provided more and more to the people, not through direct handouts but through the institutions of the government.⁹

The obvious risk of directly linking the quality and quantity of services to oil revenues is the unpredictability of those revenues. The Monarchy was certainly unprepared for the staggering growth in oil revenues between 1970 and 1986, especially its effect on the country. Until 1970 revenues on a barrel of oil were \$0.22. Revenues quadrupled to \$0.88 per barrel in 1970. In 1973 revenues jumped to \$1.56. By 1974, the Saudi government was reaping over \$10 per barrel. Between 1973 and 1980, government oil revenues jumped from \$4.3 billion to \$101 billion.¹⁰

The country correspondingly grew at a tremendous rate. By the mid 1980's, over \$500 billion was spent on infrastructure and industrial development.¹¹ By 1991 the country had over 35,000 kilometers of paved roads, compared to 200 kilometers in 1950. During this period the Monarchy succeeded in putting into place much of the basic economic and social structure

needed for a modern economy. They created a viable non-oil sector and transformed the Saudi population into one of the most highly educated in the world, while amassing monetary reserves in excess of \$150 billion. The Monarchy did not forget its responsibility to provide for the welfare of the people. It did this in a very generous way--providing free medical care, free education, welfare payments, grants for housing, lucrative contracts, and government jobs, to name only a few.¹² By 1982 the average per capita income exceeded \$16,600 per year, up from \$2,100 in 1973 and among the highest in the world.¹³

CURRENT SITUATION

Despite its support of this massive economic transformation, the Monarchy now faces serious challenges. The most serious is the continuing friction between the modernists and the Islamic fundamentalists. Criticism of the Monarchy for what some allege is corrupt and excessive behavior by some of the Royal Family has raised questions regarding the need for a Monarchy. High unemployment, especially among the religiously educated youth, is bolstering the ranks of the Islamic opposition. Problems of high unemployment are exacerbated by the presence of four million foreign workers in the country. Despite attempts to diversify, the country's growth is still largely dependent on government spending, which in turn is dependent on fluctuating oil prices. Further contributing to the problem is a generation of Saudis who have experienced only the wealth and generosity of the Monarchy. Now they are reluctant to accept anything less.

CHALLENGES TO THE MONARCHY

THE ECONOMY

During the oil boom years of the 80's, Saudi Arabia was one of the world's richest countries. Today the World Bank rates Saudi Arabia as a middle income country whose per capita income has dropped by 50% since the 80's; its international reserves have fallen to \$8.9 billion in 1996 from a high of \$170 billion. Several factors have contributed to the crisis in the Saudi economy: the fall in oil prices, extravagant spending on building infrastructure, massive arms purchases, and the \$60 billion cost of the Gulf War.¹⁴

Does this declining and unpredictable economy truly threaten the existence of a Monarchy which has been in firm control of the country for over 70 years and which transformed it from abject poverty to a land of wealth? This seems like an improbable scenario in most countries, but maybe not in Saudi Arabia. Here the government has been the dominant player in the country's economy, so the society is disproportionately dependent on the government for support. Government dominance of the economy has transformed Saudi Arabia into a rentier state, one wherein the government relies primarily on revenues from direct transfers from the international economy. In Saudi Arabia these revenues come from oil exports. The Saudi economy receives 90% of its revenues from the international economy.¹⁵ In short, the Saudi economy is almost wholly dependent on the global oil market.

In rentier states the public sector dominates the private sector. This dominance creates great economic dependence on the government. The government's willingness to provide serves

to reduce initiative and industriousness in the private sector. In contrast to the West, where the government collects taxes to provide for the welfare of the people, the main task of the Saudi government is to distribute state revenues in the form of goods and services and subsidies to the people in the most equitable ways.¹⁶ In prosperous times, the equitable distribution of wealth is difficult at best. As economic conditions worsened starting in the mid-80's, dissatisfaction increased as the government started to reduce its lavish welfare state even before the most recent financial crisis. This reduction did not affect everyone equally. Decline in the average Saudi's standard of living remained in sharp contrast to the continued opulent lifestyle of the Royal Family, sparking political unrest and disenchantment.¹⁷ Adding to this dissatisfaction are allegations of corruption and mismanagement of finances at the highest levels of government.¹⁸

When oil revenues came in well below those predicted in 1994, the government announced a 20% across the board cut in government spending. In an effort to reduce spending and the huge bureaucracy created during the boom years, the government stopped guaranteeing jobs to college graduates. Today unemployment among college graduates exceeds 25%. Between 1990-1995 there was a deficit of over 200,000 jobs in the private sector for native Saudis.¹⁹ Additionally, the Monarchy's support of Islamic education as a means of bolstering their religious credentials has done little more than produce college graduates ill-trained for any private sector employment. The government is no longer able to absorb these graduates, thereby adding them to the ranks of the dissatisfied.²⁰

The problem of providing meaningful employment is a serious one. Any resolution of employment problems is inextricably linked to a reduction of foreign labor, which is estimated at around four million. The foreign labor population grew by 5% a year from 1975-1985 during the

massive development period.²¹ This large number of foreigners is considered a disruptive influence. Further, they drain the economy, accounting for over \$100 billion in remittances sent out of the kingdom between 1990-1995.²² Today the government has taken steps to create jobs in the private sector by requiring companies to increase their native Saudi employees by 5% per year.²³

The problem with this program called "Saudiazation" is that many employers are critical of the Saudi work ethic. During the difficult period of poverty, the Saudis worked hard just to survive. However, today there is no sense among native Saudis that work is morally uplifting or spiritually rewarding. Critics allege that the Saudis have no work ethic. This is not surprising for a generation that has had everything provided for them, including employment. However, unless the country develops a stronger work ethic, it will always be dependent on foreign labor, which will continue to exacerbate employment opportunities and the transition to a more self-reliant state.²⁴

Saudi Arabia has one of the world's highest population growth rates currently 3.77 annually. The exact population has always been somewhat of a mystery, since the government routinely inflated the estimates. Current figures show a population of 17,120,000, of whom 70% are native Saudis, the remainder foreign workers.²⁵ Since 58% of the population is under 17 years of age, more and more Saudis will be chasing fewer and fewer jobs. At the present growth rate, the population is expected to increase by 1/3 every eight years.²⁶ Such growth will place tremendous strain on families and the Monarchy to maintain material support to the people. However, with relatively flat oil revenues projected over the next decade, the Monarchy will find it increasingly difficult to maintain current levels of economic and social programs.²⁷ The result

could be growing numbers of idle and frustrated youth. They will probably direct their dissatisfaction at the Monarchy through an alliance with radical Islamist groups.

On a positive note, the Saudi economy, which experienced a major crisis following the Gulf War and again in 1994, has shown dramatic improvement in 1995-1996. The country experienced a 19.3% increase in oil revenues. The economic growth rate was up from 0.3% in 95 to 2.4% in 96. The government, increasingly conscious of its heavy reliance on oil revenues, has been trying to diversify the economy. Government figures indicate that 340 factories have been built jointly with foreign capital.²⁸ The Monarchy took unprecedeted action in July 1995 when it overhauled senior government cabinet positions in response to criticism of corruption and mismanagement. Recognizing that some ministries were slow to initiate reforms, the Monarchy directed cost saving reforms and replaced 157 of 250 senior government officials. However, to maintain a buoyant economy, structural reform is necessary, according to the International Monetary Fund (IMF). The IMF recommended levying an income or consumption tax as well as opening Saudi domestic markets to foreign goods and services.²⁹

But even the rapidly growing economy poses problems. The Monarchy is seriously challenged to manage massive growth while preserving the nation's cultural and religious heritage. Religious conservatives are critical of the Monarchy's ties with the West. The inability of the Monarchy to maintain the generous welfare state while accepting no decrement in the luxurious lifestyle of the more than 6'000 Royal Family members has been criticized. As both the population and unemployment rise, the ranks of those opposed to a Saudi Monarchy grow.

POLITICAL

The political challenge to the Monarchy is more subtle but no less threatening than the consequences of a declining economy. Through the years, the Monarchy has allowed the populace no real involvement in issues of the state. However, at the same time-especially since the Gulf war there has been a demand by both the modernists and religious conservatives for increased participation in the government. The most significant demand came in 1991, when 500 religious sheiks sent a letter of protest to King Fahad. They criticized corruption in the country and lack of freedom; they demanded political reform. They asked for 12 reforms; including extended implementation of the Sharia and the creation of an independent consultative council (majlis al-shura) which would have responsibility for both domestic and foreign policy. Responding to the mounting political tension in the country, King Fahad created the Consultative Council and appointed 60 members.³⁰

Although some sanguine Western observers view the Consultative Council as an embryonic parliament in the Western sense and a possible precursor to a democratic representative government, such was not the King's intent. In fact King Fahad specifically rejected the Western concept of a democratic system of government for Saudi Arabia and made it clear that no elections were to be forthcoming. In rejecting the democratic form of participatory government, King Fahad nonetheless accepted the shura (consultative) as a means to formalize what had been an informal means of political participation. This appears to be mainly an attempt to legitimize public policy through the consensus of qualified supporters.³¹ Although originally hailed as a significant initiative for public participation in government the Consultative Council has come under criticism. Critics deride it as a public relations exercise designed to alleviate

mounting political tension. Criticism stems from the fact that all council sessions are closed to the public and that the King personally approves all topics for debate.³²

This allowance of very limited participation in government should not be all that surprising. The continued existence of the Monarchy is largely dependent upon its ability to control both domestic and foreign policy, while maintaining its relevancy with both the modernist and religious movements. Yet maintaining relevancy is difficult, since neither group actually needs the Monarchy to achieve its objectives. The Monarchy must therefore demonstrate its relevancy by proving to the different political and social elements that it is the best guarantor of their rights and privileges.³³ This poses a significant challenge to the Monarchy, which must insure that the correct political balance between the conflicting demands of the modernists and the religious conservatives is maintained.

These conflicting demands are potentially serious. The modernists are looking for a more liberal, democratic, and accountable state with many of the values of the West, to include women's rights and universal suffrage. Such reforms run counter to the Wahhabi fundamentalists, who demand a return to traditional, Islamic values. To survive over the long term the Monarchy must be able to maintain this balancing act of appeasing both parties. Essentially the Monarchy is challenged to protect the modernists against the threats of rabid fundamentalism, while the religious conservatives look to the Monarchy as a counter to Westernization.

All the while the religious elements are seeking access to more political power. The Consultative Council was their first gain, followed King Fahad's creation in 1994 of a Supreme Council of Islamic Affairs. The purpose of this council was to review educational, economic,

and foreign policy to ensure that they were being conducted in accordance with Islamic law. However, much like the Consultative Council, the real authority of the Supreme Council appears muted by the membership, who are largely members of the Royal Family and others who owe their livelihood to the Royal Family.³⁴ Forming these relatively ineffective political councils was possibly by design, since the Monarchy cannot afford to allow any outside party to gain real power within the country.

Contributing to the political tension in the kingdom is criticism of the Monarchy's complete dependency on the West for its survival. For many Saudis, the Gulf war validated this criticism. The legitimacy of the Monarchy was questioned after it invited 500,000 U.S. troops to defend the land of Islam. Few could comprehend why the country could not defend itself after having spent \$300 billion in military expenditures since 1965.³⁵ Few of the critics may realize that the existence of a strong army poses a potential threat to the Monarchy and is therefore not desirable. The Monarchy intentionally divided its army into a land force and a national guard. The National Guard's mission is to safeguard the Royal Family and certain strategic sites within the kingdom. So despite billions of dollars to build up its military along with U.S. assistance and encouragement, Saudi Arabia is still weak militarily and almost entirely dependent on the U.S. for its defense.³⁶ This dependence on a secular democratic society and Israel's greatest ally presents a continuing dilemma for the Monarchy.

The extended Royal Family themselves may be the biggest contributor to political instability simply because of their behavior and the fairly widespread perception of their corruption. As many Saudis experience a reduction in their quality of life they become more critical of a Royal Family that seems out of control. More than 6,000 Royal Family members

suffer from the public's perception that they are corrupt. Even more problematic, that the public believes family members exhibit personal behavior which runs counter to the Sharia and Islamic teachings. It appears that this behavior may start with the very head of the Monarchy, King Fahad. Critics allege that he is lazy, a gambler, a womanizer, and a drunk.³⁷

This rather harsh criticism and may be overly severe. However, regardless of Fahad's personal behavior, he is also criticized for not showing concern for or interest in the vast sums of money skimmed off the country's revenues by the thousands of members of the Royal Family.

Unlike his predecessors, King Fahad is said to impose no limits on family member spending. Some 5,000 princes and an equal number of princesses continue to receive large stipends each month for no work. The Saudis still build large palaces and pocket huge commissions on foreign contracts. These practices are straining the patience of a class that has always been loyal to the status quo.³⁸

This financial extravagance by the Monarchy is unlikely to diminish as long as the king fails to acknowledge the problem. In fact, he failed to act on a recommendation by the Consultative Council that the budget estimates should include all state expenditures including the monthly stipends to the 5,000 Royal Princes.³⁹ Until the Monarchy recognizes the need for financial accountability to the public, this issue will be an ever-increasing source of dissent.

The Monarchy must take action to reduce this negative perception of the Royal Family. This is increasingly important as the Saudi majority's standard of living declines, while the Royal Family lives in total luxury. This negative perception can also create envy and increase political friction within Saudi society. Exacerbating this problem is the incredible growth of the Royal Family, which is doubling every 22-26 years.⁴⁰ Obviously, the populace will not continue to subsidize current Royal Family excesses and extravagant lifestyles.

The issue of a successor to King Fahad is likewise a politically sensitive issue. Some allege that succession will always be problematic since the country lacks a formal system of succession. Since 1953, an informal system of seniority among the sons of Abdulaziz has been the norm. Today the successor, Crown Prince Abdullah is only slightly younger than the King is. Competition to determine who will follow the Crown Prince is certain to occur. However, despite this competition and potential rifts within the Royal Family over the succession issue, they fully comprehend the importance of Saud Family unity and stability to maintaining the Monarchy.

OPPOSITION TO THE MONARCHY

The simple fact is the Royal Family has been in complete control of the country since the Monarchy was established in 1926. They have historically treated public opposition harshly. Public demonstrations, political parties, and an uncensored media are not permitted. That is not to say that they have not faced challenges and opposition through the years. In 1965 Yemenis opposed to the Monarchy's support of Yemen royalists bombed several Royal residences. In 1969 an attempted coup by civilians and air force officers was quickly put down. The Shi'ites in the oil-rich Eastern Province rioted four times between 1970-1980.⁴¹

The most threatening insurrection to the Monarchy was the 1979 takeover of the holy mosque in Mecca. Several hundred people were killed in attempts by the National Guard to retake the mosque over a two-week period. The Monarchy's concern turned to alarm when they discovered that this was a homegrown insurrection, not the work of an outside government.⁴² This sent a clear message to the Royal Family that radical opposition to the regime was present

within the Kingdom. This opposition continued to grow through the 1980's and into the 1990's, culminating with the two terrorist bombings of American personnel in 1995-1996.

What accounts for the growing swell of opposition? Political and economic issues are certainly contributing factors. Still there is a perception by some that the Royal Family has eroded its legitimacy by its abuse and neglect of Islamic teachings and principles. Consequently, the major internal threat to the Monarchy is considered to come from radical Islamic religious groups, many of whom call for the replacement or overthrow of the Royal Family. Some even predict that "within a short time, unless there is a change, Islamic movements in the Arab and Muslim worlds will be in a position to help overthrow the Saudi Monarchy."⁴³

It is hard to imagine an overthrow of the Monarchy in the near term. However, the credibility of the radical Islamic threat should be taken very seriously by the Monarchy, since anti-Saud activists such as Ossama bin Laden have both the financial support, the following and the personal commitment to attempt to destabilize the Monarchy. Adding to the threat is the suspicion that the radicals have created an extensive network within the government to assist in its overthrow. Some feel that "given this network and the general dissatisfaction of the Saudi public that change in Saudi Arabia is not a question of if but when as the growing disparity between a rapidly changing society and a static state is bound to lead to friction and perhaps a revolt."⁴⁴

Curiously, during the rise of Islamist opposition to the Monarchy, Saudi Arabia has been virtually immune to the various manifestations of political Islam that have taken root in other Arab countries. The Saudi State has incorporated Islam throughout all spheres of government and politics, while other Arab states have kept the Sharia largely confined to the private sphere.⁴⁵

This prevalence of Islam in Saudi government, however, is not sufficient today to keep some groups from focusing their criticism on the Monarchy. Islamic critics charge the Royal Family indulges in the forbidden activities of drinking, gambling, and womanizing. Radical groups are also increasing their ranks by claiming that the mere existence of Royal Monarchy and Royal succession runs counter to the principals of Islam: "The Prophet was quite outspoken about both Monarchy and succession. According to Islam the governor is elected by the people to administer justice, to institute laws in accordance with religion, to dispense knowledge and to rule to the best of his ability."⁴⁶

Criticism of the Monarchy has even been growing within the ranks of the Wahhabi religious sect. This should be of grave concern, since the Wahhabis have long been the regime's staunchest supporters. Today the Royal Family does not enjoy total support from the Wahhabis, particularly among the younger religious clerics. It was the Wahhabis who first recognized the growing problems with the Royal Family and demanded political reforms and the creation of the Consultative Council. This rift between the Wahabi religious leaders and the Monarchy is potentially serious: "It represents one of the major contradictions of the country because the Monarchy purports to depend on them for support, rules in the name of Islam and uses the Koran for a constitution. Some allege that the contradiction lies in the use of Islam by the Royal Family as a cover to its perceived corrupt and excessive lifestyle."⁴⁷

The Shi'ites totally oppose the Monarchy. There are 2 1/2 million Shi'ites located mainly in the vital and vulnerable oil regions. As a minority (15%) they have long been suppressed by the regime. The Monarchy fears the potential support for this group from Iran, which is 95% Shi'ite. Iran has been actively hostile to Saudi Arabia since the Iranian revolution. Iran has

often violently attacked the character and religious legitimacy of the Saudi Regime. It has also continued to sponsor riots and unrest during the Haj and has provided at least limited support to Shi'ite extremists in the Eastern Provinces of Saudi Arabia.⁴⁸

There are also other banned but growing and effective religious groups, such as the Party of God (Hezbollah), the New Ikhwan, the Muslim Brotherhood, and others who seek a reversion to Islam. Their faith precludes a continuance of the House of Saud. Although these groups operate mostly in secret, they are becoming more vocal each day.⁴⁹ During the 1990's more opposition groups have emerged. The Committee Against Corruption in Saudi Arabia (CACSA) is committed to identifying alternative leadership in Saudi Arabia that will govern the country without corruption and malice. They seek leadership, which can transition the country into the 21st century while maintaining the Kingdom's Islamic roots and societal mores. CACSA wants to replace the Monarchy with a ruling body.⁵⁰

Other opposition groups include the Movement for Islamic Change, which claimed responsibility for the 1995 Riyadh bombing that killed five Americans, and the Committee for the Defense of Legitimate Rights (CDLR). The CDLR is a London-based group reportedly formed to monitor the Monarchy's human rights violations and to broadcast charges of government corruption. The Monarchy should be particularly concerned about CDLR supporters, who some believe are the most vocal opposition to the regime. They come from Qassim, where traditionally the staunchest supporters of the regime have lived. The CDLR wages an information war using fax machines and 800 numbers to report Royal Family corruption, mismanagement, and religious laxity.⁵¹

While many of the groups opposing the Monarchy are essentially non-violent, the same cannot be said for Saudi veterans of the Afghanistan War. Saudi Arabia sent over 5,000 volunteers to fight the Russians in Afghanistan. These men are strict Islamic fundamentalists, many of whom are anti-Saud and anti-U.S. Today they are among the many unemployed and disillusioned in the country. What sets them apart from other opposition groups is their expertise in small arms and explosives.⁵² Without doubt group poses a very serious threat to the Monarchy. "Their main objective is to bring down the Regime of Al-Saud. They are committed to fighting the Western occupation of the Kingdom."⁵³

CONCLUSION

The Saudi Monarchy is faced with serious and growing challenges to their survival. However, with strong decisive action and leadership these challenges can be neutralized. The question is whether the Monarchy is able to provide this leadership and decisive action. If the Monarchy is not perceived as part of the solution to the problems facing the Kingdom, then they are not relevant to the future of the country. If they cannot demonstrate their relevance and legitimacy to the growing opposition, then they will not be ruling Saudi Arabia in 25 years.

There is no consensus on the degree to which the Monarchy's survival is threatened. Restrictions on both the press and travel to the country by independent media make it difficult to assess the magnitude and immediacy of the threat. What is agreed upon is the existence of a real threat to the future of the Royal Family by all who monitor the Kingdom. Today the Monarchy is not in imminent danger of being overthrown. But its demise will be only a matter of time if changes do not occur.

The economy is the most serious problem facing the Monarchy. In the long term, the country must succeed at diversifying its economy. The goal of Saudiazation and reducing reliance on foreign labor must be met if the country is to succeed at employing its growing youthful population. Young Saudis must feel that they have a stake in the country's future through employment in a worthwhile career. Failure to reduce foreign labor will simply add the unemployed to other groups of dissenters. Meanwhile the government must generate revenues by eliminating much of the existing welfare state. This will be a hard but necessary transition for a country that is used to free water, electricity and phone service - to a populace that has never been taxed. The country needs a more capitalistic system with an increased productive sector run by homegrown Saudis.

On the political side, the Monarchy must eventually agree to more non-royal participation in the operation of the government. This will be imperative as they dismantle parts of the welfare state and create new social structures. The Monarchy must allow for more open debate of social and economic issues. The perceived corruption of the Royal Family must be eliminated. This will always be a major threat to the Monarchy and a source of continued and growing opposition.

U.S REACTION TO A CHANGE IN THE GOVERNMENT

The U.S. has few options if the existing regime is overthrown. The U.S. cannot send combat troops to the country to bolster the Royal Family. This would be disastrous, with potential long-term negative effects on our relations with Saudi Arabia and other Arab states. Taking sides in a civil takeover would preclude establishing relations with the new government if

the U.S. supports an ousted Monarchy. Any changes to the government will probably be violent. The Al-Saud will not go without a fight. Such a takeover could be preceded by increased attacks on the U.S. military and other Westerners.

A change in the government does not necessarily mean a dramatic change in U.S.-Saudi relations, despite the anti-West rhetoric coming from the Islamic camp. Any Saudi government will continue to rely on oil exports to maintain the economy and support the growing population. They will therefore continue to sell oil to the U.S and Europe. They will probably not be in a position to raise prices significantly for fear of losing market shares to the growing number of global suppliers, particularly Norway and Venezuela.

The presence of the U.S. military poses an interesting dilemma for a new government especially a religious government with strong anti-Western sentiments. Both Iran and Iraq would most likely still threaten any new regime. The Shi'ite minority are still a threat in the vital oil regions and continue to receive support from Iran. Currently the U.S. military presence is Saudi Arabia's only counter to the Iran and Iraq threat. A power vacuum could be created if the Americans are forced to leave the Persian Gulf. Finally, the Kingdom is still very reliant on American technology and Western businesses, such as AT&T, Boeing, and IBM. It will be many years before Saudi Arabia creates a sufficient technical workforce to replace its foreign labor despite the best efforts of Saudiazation.

Any new regime would have to strongly consider the above factors before determining the course of American-Saudi relations. It is likely that a new regime would recognize that its interests and those of the U.S. are to a large degree mutually supportive. Therefore, if there is an

eventual transfer of power in the Kingdom, the U.S. should not assume that our vital national security interests in Saudi Arabia would be adversely affected.

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ENDNOTES

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